

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
L/7307/Rev.1
18 November 1993
Limited Distribution

(93-1983)

Original: English

ASEAN PREFERENTIAL TRADING ARRANGEMENTS

Information submitted by the ASEAN contracting parties

Revision

The following communication, dated 12 October 1993, concerning information on trade co-operation among ASEAN member States, has been received from the Permanent Mission of Singapore for the information of contracting parties.

Trade cooperation among ASEAN member States: information submitted by the ASEAN contracting parties

On behalf of the ASEAN contracting parties, namely, Indonesia, Malaysia, the Philippines, Singapore and Thailand, I would like to request that the attached joint press statement issued by the ASEAN Economic Ministers on 6 October 1993, be transmitted to the contracting parties for their information. The joint press statement contains further information on the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free-Trade Area (AFTA).

In pursuance of the Decision of the CONTRACTING PARTIES of 28 November 1979, the information is brought to the attention of the Committee on Trade and Development, as it is entrusted with the responsibility of reviewing the implementation of the Enabling Clause.

THE FOURTH MEETING OF THE AFTA MINISTERIAL COUNCIL
6 OCTOBER 1993, SINGAPORE

Joint Press Statement

1. The Fourth Meeting of the AFTA Council was held in Singapore on 6 October 1993.
2. The Meeting was attended by H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam; H.E. Prof. Dr. S. B. Joedono, Minister of Trade, Indonesia; H.E. Dato Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia; H.E. Hon Cesar B. Bautista, Deputy Secretary of Trade and Industry, Philippines; H.E. Mr. Lim Boon Heng, Second Minister for Trade and Industry, Singapore; H.E. Mr. Trairong Suwankiri, Deputy Minister of Finance, Thailand and H.E. Mr. Chalermphol Sanitwongchai, Deputy Minister of Commerce, Thailand; and their respective delegations. H.E. Dato Ajit Singh, Secretary-General of ASEAN and members of his staff were also present.
3. The Meeting noted that since 1993 some member countries have implemented unilateral tariff cuts. Member countries have now agreed to bring forward the implementation of tariff reductions to 1 January 1994. This demonstrates to the private sector that ASEAN was implementing the CEPT Scheme (see Annex 1).
4. There were improvements to the commitments of member countries. As a proportion of each country's total tariff lines, the figures ranged between 78 per cent to 90 per cent among the six member countries (see Annex 2).
5. A comparison of the indicative submissions by member countries between the Third AFTA Council Meeting in Jakarta, December 1992 and the confirmed submissions of 15 September 1993 shows that (see Annex 3):
 - (a) There is an increase in the total number of products in the Fast Track Programme by 336 items;
 - (b) There is a decrease in the total number of products in the Normal Track Programme by 15 items;
 - (c) There is an increase in the total number of products in the Inclusion Lists by 321 items.
6. Member countries agreed that their confirmed Programmes and Inclusion Lists as of 6 October 1993 could be made available to non-member countries, the GATT Committee on Trade and Development, and the private sector by 1 November 1993. In line with the CEPT Agreement, member countries agreed that the Inclusion Lists should be presented at the HS 6 digit level. In addition, member countries would also provide details of the CEPT Inclusions at the 8-9 digit level for more effective implementation by customs officials and transparency and convenience for the private sectors.
7. In order to facilitate the implementation of the CEPT/AFTA, member countries had agreed that the respective Customs Authorities should be flexible and should recognize PTA Form C in lieu of Form D for the CEPT till end of 1993. From 1 January 1994 only Form D will be recognized by all Member Countries.

8. In terms of the Fast and Normal Track Programmes, these confirmed submissions showing that the following number of tariff lines which have been offered for tariff reduction commencing in 1 January 1994 by Member Countries are:

Brunei	-	1,408 product groups (at HS 6-digit level, effective on 1 June 1994)
Indonesia	-	2,001 tariff lines (at HS 9-digit level)
Malaysia	-	3,776 tariff lines (at HS 9-digit level)
Philippines	-	1,052 tariff lines (at HS 8-digit level)
Singapore	-	373 tariff lines (at HS 9-digit level, effective on 1 January 1993)
Thailand	-	1,327 tariff lines (at HS 6-digit level)

9. The lists of Temporary Exclusions at the tariff line HS-8/9 or beyond was exchanged among member countries simultaneously with the Inclusion Lists. Based on the reconfirmation of the lists of products by 15 September 1993, the summary of the Temporary Exclusions is illustrated below:

Temporary Exclusion List

	Number of Tariff Lines	%	Change from December 1992
Brunei Darussalam	208	3.23	42
Indonesia	1,654	17.63	-54
Malaysia	627	6.30	-19
Philippines	714	12.7	-485
Singapore	0	0.00	0
Thailand*	118	0.99	0
	3,321	-	-516

* at HS 6-digit level

10. Although agricultural products are not included in the CEPT Scheme, member countries have unilaterally offered these products in their submissions. A large number of processed agricultural products have been included in the CEPT Scheme for both the Fast and Normal Track. Work on the definition of processed agricultural products is being undertaken by the ASEAN Secretariat.

11. The Ministers agreed that the CEPT Scheme would take precedence over the AIJV and decided to reconcile this by changing the relevant clause in the Revised BAAIJV that for AIJV products placed or changed on the CEPT Scheme, the tariff will be allowed to slide in accordance with the CEPT Scheme and the main benefit of the AIJV, which is the 90 per cent margin of preferences (MOP) for 4 years will slide in tandem.

12. Ministers agreed to amend the revised BAAIJV as follows:

- (a) to extend from 31 December 1993 to 31 December 1996 the 40 per cent ASEAN equity;
- (b) to be based on the CEPT rule of origin of 40 per cent instead of the PTA rule of origin.

For this purpose, a third Protocol has been drafted for the ASEAN Economic Ministers' approval.

13. The CEPT Scheme would create an enlarged and more integrated ASEAN regional market. Both ASEAN and foreign business interests could capitalize on the comparative advantages in the ASEAN countries, reap economies of scale and thus, remain internationally competitive. The progressive development of the AFTA over the next fifteen years presents a unique and timely opportunity for foreign companies to enter the ASEAN market. ASEAN's linkages with the world would become enhanced and greater opportunities generated for exporters from outside the region.

ANNEX 1

Starting/ending year for the various Tariff Reduction Programmes under the CEPT Scheme

Country	Fast Track		Normal Track	
	Above 20%	20% and below	Above 20%	20% and below
Interpretative Notes	0-5% by 1 January 2003 (10 years)	0-5% by 1 January 2000 (7 years)	1) 20% by 1 January 1998 or 1 January 2001 (5 or 8 years) 2) 0-5% by 1 January 2008 (7 years)	0-5% by 1 January 2003
Brunei	N.A.	1994 - 2000	1994 - 2008	1994 - 2003
Indonesia	1993 - 2003	1993 - 2000	1993 - 2008	1993 - 2003
Malaysia	1993 - 2003	1993 - 2000	1993 - 2008	1993 - 2003
Philippines	1993 - 2003	1993 - 2000	1993 - 2008	1993 - 2003
Singapore	1993	1993	N.A.	1993
Thailand	1993 - 2003	1995 - 2000	1993 - 2008	1996 - 2003

Sources: Summarized from product lists received at ASEAN SEOM Meetings.
7- 8 May 1993 and 12-13 July 1993, Jakarta and 6-8 September 1993,Cebu.

ANNEX 2

Summary of CEPT Product List

No.	Country	HS Digit Level	Inclusion			%	Exclusion			Total
			Fast Track	Normal Track	Sub-Total		Temporary	General Exception	Unprocessed Agricultural Products	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Brunei Darussalam	9 6	2,420 1,975	3,659 2,604	6,079 4,579	92.89 -	208 -	201 -	56 -	6,544 -
2	Indonesia	9 6	2,816 1,445	4,539 2,734	7,355 4,179	78.39 80.07	1,654 834	50 30	324 176	9,383 5,219
3	Malaysia	9 6	3,166 1,725	5,611 3,419	8,777 4,144	87.57 85.50	627 273	98* 98*	541 332	10,023 4,847
4	Philippines	9 6	1,033 974	3,418 3,079	4,451 4,053	79.61 -	714 -	28 -	398 -	5,591 -
5	Singapore	9 6	2,205 1,896	3,517 3,078	5,722 4,976	97.95 -	Nil Nil	120 -	Nil Nil	5,842 -
6	Thailand	Tariff Line 6	3,509 1,736	5,254 2,777	8,763 4,513	94.00 -	118** -	26* 26*	415 390	8,322 -

* Products
** at HS 10-digit level
ASEAN Secretariat

ANNEX 3

Change in the submission of CEPT Products (at HS 9-Digits)

	Fast Track			Normal Track			Total		
	1992	1993	Change	1992	1993	Change	1992	1993	Change
Brunei D.	1,826	2,420	594	2,812	3,659	847	4,638	6,079	1,441
Indonesia	3,165	2,816	-349	4,288	4,539	251	7,453	7,355	-98
Malaysia	3,251	3,166	-85	6,895	5,611	-1,284	10,146	8,777	-1,369
Philippines	862	1,033	171	3,250	3,418	168	4,112	4,451	339
Singapore	2,200	2,205	5	3,514	3,517	3	5,714	5,722	8
Thailand	N.A.	3,509	0	N.A.	5,254	0	N.A.	8,763	0
Total*	11,304	11,640	336	20,759	20,744	-15	32,063	32,384	321

* Total not including Thailand
ASEAN Secretariat